



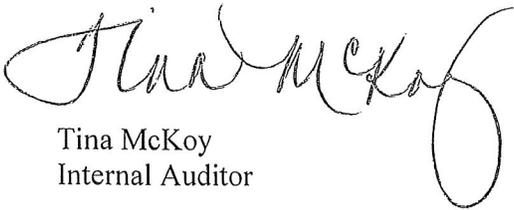
**DATE:** June 7, 2016  
**TO:** Barbara Harris, Interim Assistant City Manager  
**FROM:** Internal Audit Division  
**SUBJECT:** Mary's House, Inc. 2014-2015  
(No Response Required)

The Internal Audit Division has performed our yearly monitoring visit of the Mary's House, Incorporated ("Agency") on April 27, 2016 which received a Transitional Shelter Operations Grant in the amount of \$44,553 from the City of Greensboro during the 2014 to 2015 grant year.

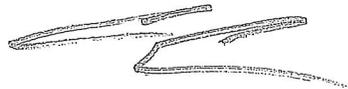
**The Transitional Shelter Homeless Prevention Services Grant Allocation** which is comprised of Nussbaum Housing Partnership, Community Development Block Grant, and/or Emergency Shelter Grant totaling \$44,553 was awarded to aid with performing all the necessary services in connection with operating and maintaining a shelter for homeless persons. The Agency provides transitional shelter for homeless mothers in recovery from substance abuse and their minor children; and full case management to assist mothers with employment, custody of children, and securing entitlement benefits. An estimated 30 total number of people in an estimated 16 households were projected to be served by Mary's House, located at 520 Guilford Avenue.

We examined selected financial transactions and program documentation maintained by the Agency for compliance with the contract and for assurance that program goals were achieved. Based on our review, it appears that the funds have been spent according to the terms of their contract without exception.

We would like to thank Ms. Jacqueline Phillips, Executive Director; Ms. Ellen Edwards, Bookkeeper; and the staff of the Mary's House, Incorporated for their courtesy and cooperation shown to us during this visit. If there are any questions or comments concerning the details of this visit, we can be reached at 373-4528.



Tina McKoy  
Internal Auditor



Len Lucas  
Internal Audit Director

Cc: Jim Westmoreland, City Manager  
Chris Wilson, Assistant City Manager  
Cyndi Blue, Manager of Housing Services, Neighborhood Development  
Lamont Taylor, Administrative Services Manager, Neighborhood Development  
Caitlin Bowers, Grant Administrator, Neighborhood Development  
Jacqueline Phillips, Executive Director of Mary's House, Incorporated



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NEIGHBORHOOD DEVELOPMENT

June 6, 2016

Jacqueline Phillips, Executive Director  
Mary's House, Inc.  
520 Guilford Ave.  
Greensboro, NC 27401

Re: Mary's House Inc. Contract FY 14-15: \$44,553

Dear, Jacqueline Phillips:

**Review of Eligibility & Relation to the Consolidated Plan:** City of Greensboro staff conducted an on-site monitoring visit of Mary's House, Incorporated, located at 520 Guilford Avenue, April 27, 2016. The site visit provides assurance that indicates the activity exclusively benefits women and children based upon the category of limited-clientele presumed benefit. The participant files reviewed (3 on-site) all contained documentation of homelessness and reason for admittance to the program. The 2015-2019 Consolidated Plan describes the City's relationship with emergency shelters and transitional shelter facilities.

**Review of Cost Allowability:** There were no obvious instances where expenditures were not necessary and reasonable for proper and efficient administration of the program and the city agreement. Community Development Block Grant funds were used to perform all the necessary services provided with operating and maintaining a shelter. The transitional shelter provided services including full case management. The Internal Audit report did not indicate ineligible costs per the agreement and neither did a Neighborhood Development (ND) spot check based on OMB/CDBG rules.

**Review of Procurement:** A procurement review was conducted. All costs reimbursed were for eligible expenses; no purchases exceeded \$5,000. As a reminder if any federal grant funds are used to purchase eligible items the procurement of goods and services must follow 24 CFR §85.36(d): (1) small purchase; (2) sealed bids; (3) competitive proposals; (4) noncompetitive proposals.

**Review of Scope and Services to be Rendered:** Approximately 30 beneficiaries in 16 households would be served by the agency according to the agreement. In FY 14/15 38 individuals in 16 households were actually served.

**Review of Client Files:** The 3 files reviewed were fairly well maintained. All included the contractually required Homelessness Verification and evidence of program eligibility. Staff was advised to ensure all Community Development forms signed by the client are included in each

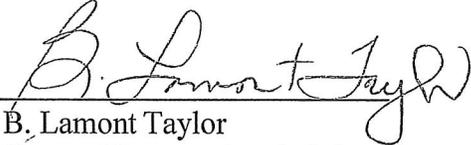
file. Staff was also advised to document communications involving verification of information supplied by the client more vigilantly.

**Review of Board Minutes:** Minutes are maintained, very understandable, and identified when a quorum was present.

**Summary:** It is Neighborhood Development staff opinion that Mary's House is an eligible and effective use of city Homelessness Prevention funding. The program appears to be an excellent alternative for women with children who have become homeless due to chronic addiction issues and seems to produce a good success rate. Performance records were understandable and there are no disqualifying financial concerns for future City funding. This report does not require a reply from management.

Neighborhood Development staff appreciates the assistance provided during the monitoring visit by Jacqueline Phillips, Executive Director, and Mary's House staff.

  
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Charla Gaskins  
Federal Compliance Coordinator

  
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B. Lamont Taylor  
Grants, Finance, & Administration Manager